GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:611
ANSWERED ON:03.12.2004
ESTABLISHMENT OF NEW UNITS OF KHADI AND VILLAGE INDUSTRIES .
Kushwaha Shri Narendra Kumar

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government is formulating any scheme to set up new units to develop Khadi and Village Industries;

(b) if so, the State-wise locations in the country where the said units would be set up;

(c) if so, whether the Khadi Gramodyog Board proposes to provide a loan for this purpose; and

(d) if so, the details of the terms and conditions of the loan?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a): To promote agro and rural industries in the country including Khadi and Village Industries, the Government is already implementing the Rural Employment Generation Programme (REGP) through the Khadi and Village Industries Commission (KVIC). Under this programme, an entrepreneur can establish a village industry, including village industry based on agricultural produce, by availing of margin money assistance from the KVIC and loans from any public sector scheduled commercial bank, for projects with a maximum cost of Rs.25 lakh. Projects costing upto Rs.10 lakh are entitled to margin money support of up to 25 per cent of the project cost. For projects costing above Rs.10 lakh and upto Rs. 25 lakh, the rate of margin money support is 25 per cent of Rs. 10 lakh plus 10 per cent of the balance cost of the project for the general category of entrepreneurs. In the case of entrepreneurs from the weaker sections, viz., the Scheduled Castes, Scheduled Tribes, Other Backward Classes, Women, Physically Handicapped,

Ex-servicemen, Minority Community, etc., the margin money given is at the rate of 30 per cent of the project cost up to Rs.10 lakh while for projects costing above Rs. 10 lakh and upto Rs. 25 lakh, the rate of margin money assistance is 30 per cent of Rs. 10 lakh plus 10 per cent of the balance cost of the project.

(b): State-wise location specific targets for setting up units are not fixed under REGP. Instead State-wise targets for employment generation are fixed. It is proposed to generate 25 lakh jobs under the REGP during the Tenth Five Year Plan (2002-07). During the first two years of the Tenth Plan, i.e. 2002-03 and 2003-04, 8.3 lakh jobs have already been created under this programme. For the current financial year i.e. 2004-05, a target of 5.25 lakh jobs has fixed under this programme. The State-wise details are at Annexure-I.

(c)&(d): The Khadi and Village Industries Board (KVIB) does not provide any loan under the REGP scheme. Under the REGP scheme, the loans to the entrepreneur are provided by banks and subsidy by KVIC as per details indicated above. However, part of the margin money support from KVIC is routed through KVIBs.

ANNEXURE − I

STATEMENT EMPLOYMENT (Nos) TARGETS − 2004-2005

Sl.No.	State/UT	Employment (Nos.)
	NORTH ZONE	
1.	UT Chandigarh	75
2.	Delhi	500
3.	Haryana	19625
4.	Himachal Pradesh	12500

5. Jammu & Kashmir 10000
6. Pubjab 24550

7 Rajasthan 37900

SUB TOTAL 105150

EAST ZONE

8. A & N islands 2500

9. Bihar 20975
10. Jharkhand 15900
11. Orissa 14550
12. West Bengal 37300

SUB TOTAL 91225

N.E. ZONE

13. Aru. Pradesh 1700
14. Assam 25100
15. Manipur 5000
16. Meghalaya 5000
17. Mizoram 7475
18. Nagaland 2850
19. Tripura 3600
20. Sikkim 1775

SUB TOTAL 52500

SOUTH ZONE

21. And. Pradesh 43575
22. Karnataka 33075
23. Kerala 20925
24. Lakshadweep 25
25. Pondicherry 100
26. Tamilnadu 19925

SUB TOTAL 117625

WEST ZONE

27. D & N Haveli/D & Diu 250
28. Goa 5000
29. Gujarat 10075
30. Maharashtra 31125

SUB TOTAL 46450

CENTRAL ZONE

31. Chattisgarh 15025
32. Madhya Pradesh 21225
33. Uttaranchal 10000
34. Uttar Pradesh 65725

SUB TOTAL 111975

GRAND TOTAL 524925